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Attachment E

Energy Efficiency & Conservation Strategy for States

As detailed in Part 1 of this announcement, all applicants must submit an Energy Efficiency and Conservation Strategy (EECS). States must submit the EECS at the time of application. The format is contained in Attachment E. This form should be saved in a file named "UIC-Strategy.pdf" and click on "Add Optional Other Attachment" to attach.

Grantee: State of Wisconsin/Office of Energy Independence Date: 04/26/2009 (mm/dd/yyyy)
DUNS #: 809035728 Program Contact Email: judy.ziewacz@wisconsin.gov

1. Describe your State's proposed Energy Efficiency and Conservation Strategy. Provide a concise summary of your measureable goals and objectives, which should be aligned with the defined purposes and eligible activities of the EECBG Program. These goals and objectives should be comprehensive and maximize benefits statewide. Provide a schedule or timetable for major milestones. If your State has an existing energy, climate, or other related strategy please describe how these strategies relate to each other.

Wisconsin's Energy Efficiency and Conservation Strategy is rooted in the state's Plan for Energy Independence: Clean Energy Wisconsin (<http://www.wisgov.state.wi.us/docview.asp?docid=13459>) and the goals set by Wisconsin's Global Warming Task Force. These comprehensive goals are the foundation for Wisconsin's efforts to move toward energy independence.

Wisconsin's strategic goals are:

- 1) 25 x '25 -- Generate 25 percent of electricity and 25 percent of transportation fuels by 2025. There are multiple approaches for achieving this goal: increasing biofuel consumption through increased production, infrastructure development and outreach; increase electricity generation from renewable resources (e.g. wind, hydro, solar, woody biomass and biogas); and reduce overall consumption of electricity and transportation fuels through energy efficiency, education and behavior changes.
- 2) Capture 10 percent of the market share for the production of renewable energy and bioproducts. This goal is addressed through investments in job creation and new business opportunities, that are expected to generate billions of dollars for the Wisconsin economy and create 70,000 jobs.
- 3) Become a leader in ground-breaking research to make alternative technologies affordable and available to all. In 2008, OEI and the Wisconsin Department of Commerce, awarded \$7.2 million in Wisconsin Energy Independence Fund (WEIF) grants to businesses for new technology, research and development. The Governor has committed \$150 million over 10 years to this effort.
- 4) By 2015, reduce electric load by two percent and reduce natural gas usage by one percent. The Global Warming Task Force (GWTF) recommended additional funding for Wisconsin's robust energy efficiency and conservation program, Focus on Energy, as the means to accomplish these goals.
- 5) Adoption of GWTF recommendations to: increase the state Renewable Portfolio Standard (RPS) from 10 percent in 2015 to 12 percent in 2015 and 25 percent by 2025; building codes that incorporate the latest International Energy Conservation Code (IECC) within 18 months of promulgation; and a low-carbon fuel standard. These goals are pending approval by the Wisconsin legislature.

The Clean Energy Wisconsin Plan complements EECBG by: reducing greenhouse gas emissions, maximizing benefits for local communities, reducing overall energy consumption, and improving energy efficiency in the building and transportation sectors. The EECBG also contributes to Wisconsin's goal for capturing the renewables market. Wisconsin is home to manufacturers of LED and EE lighting, energy efficient windows, component manufacturers, as well as other energy-related technologies.

2. Describe your State's proposed implementation plan for the use of EECBG Program funds to assist you in achieving the goals and objectives outlined in the strategy describe in question #1. Your description should include a summary of the activities submitted on your activity worksheets, and how each activity supports one or more of your strategy's goals/objectives.

The Office of Energy Independence conducted a survey of municipalities in Wisconsin to identify priority areas where funding will have the largest impact in terms of cost savings, energy efficiency, reduction of greenhouse gas emissions, as well as job creation and preservation. Wisconsin's goals enumerated in #1 set the stage for Wisconsin's communities to use the ARRA funding to maximum benefit.

The priorities are:

- 1) Municipal buildings retrofit. Wisconsin will distribute \$7,045,800 (60%) to communities to retrofit municipal buildings with energy efficient windows, insulation, HVAC and solar hot water. This priority corresponds to EECBG eligible activity, number 5, Energy Efficient Retrofits.
- 2) Energy efficient lighting. Wisconsin will distribute \$2,382,696 (20%) to communities to replace existing lights with LED or other energy efficient lighting technology. This priority corresponds to EECBG eligible activity, number 12, Traffic Signals and Street Lighting, and will include interior lighting.
- 3) Outreach and education. Wisconsin will invest \$1,400,000 (12%) in outreach and education using funding from the state discretionary portion of the allocation through two methods: (1) the development of 25 x '25 Plans in Wisconsin's Energy Independent Communities, and (2) the development of outreach and education efforts and activities that are widely available and accessible to the general public. Increasing cultural awareness of energy conservation speaks to long-term energy savings and conservation. This is consistent with the goals outlined by Wisconsin's Global Warming Task Force, and corresponds to EECBG eligible activity, number 14, Any Other Appropriate Activity.

Funding for Priorities #1 and #2 will be distributed through a competitive process limited to non-entitlement communities. Applicants will be able to apply for either or both priorities areas in a single application. Applicants that participate in the Energy Independent Communities initiative and/or can demonstrate a commitment to reduced energy consumption will receive preference during the application evaluation stage. Energy Independent Communities are ones that have made a commitment to the 25 x '25 goals (e.g., resolution). Applicants may also receive preference if (1) they can demonstrate the ability to leverage funding, and (2) if the proposed projects are ready to begin on receipt of funding.

Funding for Priorities #1 and #2 will be administered by OEI staff at the Wisconsin Department of Commerce through the egrants system developed for the successful Community Development Block Grant. All contract administration and oversight will be also be conducted by the Department of Commerce.

Funding for Priority #3 will be administered by the Office for Energy Independence, and distributed through two competitive subpriorities:

- (A) \$500,000 -- 25 x '25 plans. This subpriority is open to any Wisconsin community to develop a 25 x '25 plan.
- (B) \$900,000 -- Outreach and Education. This subpriority is limited to organizations that can develop and provide statewide outreach and education to the community at-large. The maximum award under this subpriority is \$500,000.

All awardees will participate in extensive data collection efforts to ensure that energy reduction goals are measured appropriately. The goal of each priority is to realize the community's goals for energy savings, reduced GHG emissions, and job creation and/or preservation.

3. Summarize your performance metrics from Attachment B1 – Project Activity File: Proposed Number of Jobs Created, Proposed Number of Jobs Retained, Proposed Energy Saved and/or Renewable Energy Generated, Proposed GHG Emissions Reduced (CO2 Equivalents), and Proposed Funds Leveraged.

Wisconsin's summary estimates for performance metrics are:

Number of Jobs Created: 6
Number of Jobs Retained: 102
Energy Saved/Generated*: 7,630,972.5 (kWhs) and 598,752.6 (therms)
Reduced GHG Emissions (CO2 Equivalents): 20,012,893.8 (lbs)
Funds Leveraged \$2,610,951

The metrics estimated come primarily from Priorities #1 and #2.

The job creation and preservation numbers are based on guidance from the White House Council of Economic Advisors (CEA) that reads, "agencies should calculate the impact of their programs on employment by assuming that each \$92,000 of spending produces one job-year of employment... Agencies wishing to use a methodology other than this one must receive advance permission from OMB to do so." OEI estimated that 95 percent of jobs are preserved, existing positions, while five percent represent jobs created. The exception to this is Priority 3 (Outreach and Education) which is estimated to create 30 percent new jobs (1) and 70 percent preserved jobs (5), because of anticipated work in municipalities and the expansion or development of outreach/education programs.

Leveraged dollars represent a portion of the Focus on Energy/Schools and Government budget, \$2.1 million of which is directed to local government for energy efficiency efforts, and \$500,000 in federal State Energy Program dollars distributed to Energy Independent Communities for development of a 25 x '25 plan.

*Wisconsin does not anticipate renewable energy generation under this application.

4. Describe your State's established process for providing sub-grants to units of local government that are not eligible for direct EECBG formula grants from DOE.

Funding for Priorities #1 and #2 will be distributed through the existing Community Development Block Grant system administered by the Wisconsin Department of Commerce, to avoid duplication of systems. Contract administration and oversight for these Priorities will be also be conducted by the Department of Commerce.

The Wisconsin Department of Commerce administers four formula grant programs funded by the U.S. Department of Housing and Urban Development (HUD): the Small Cities Community Development Block Grants (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons With AIDS (HOPWA). The process for providing sub-grants to units of local government eligible for the State's EECBG funds will be most similar to the steps followed in Commerce's administration of the CDBG program.

These steps include: (1) develop information and application materials, (2) conduct workshops explaining the program and application process, (3) use teams with appropriate expertise to review and rank applications, (4) formulate an award plan for grant announcements, (5) contract implementation training for grantees, and (6) contract monitoring through the life of the contract, including close-out.

EECBG grantees will receive training on: appropriate record keeping, reporting (e.g. metrics), environmental regulations, bidding/procurement of equipment, Davis-Bacon compliance requirements, and compliance with other federal and state laws and regulations. Close-out includes verifying fiscal reports, comparing final results with the project goals, and taking necessary corrective actions in situations of default or non-compliance.

The application process will employ e-Grant technology in which applicants can electronically complete and submit proposals. Reporting, including financial reporting, will be conducted electronically to ensure accurate and timely financial accounting. Grant Specialists positions in OEI will handle the day-to-day administration of the program and Commerce's fiscal unit will provide support in the use of e-Grant technology.

The upfront program design and the development of reporting formats will be developed by OEI staff to ensure the collection of data required by DOE and the provisions of the ARRA. The Department already has in place job tracking mechanisms used for the CDBG program that will be incorporated into the EECBG program.

5. Describe how this strategy has been designed to ensure that it sustains benefits beyond the EECBG funding period.

Wisconsin has consistently implemented progressive policies and goals that aim at the long-term effectiveness of energy savings, efficiency and conservation efforts. These efforts, especially for communities, will be greatly aided by funding from the Energy Efficiency and Conservation Block Grant, and will assist the state's efforts to lead by example.

For example:

- 1) increased energy efficiency through municipal building retrofits and energy efficient lighting have far reaching effects. When Wisconsin municipalities reduce their energy consumption, there is a net reduction in energy consumption for the entire state. Overall reduction of energy consumption helps to bring our goal of 25 x '25 closer. (Priorities #1 and #2)
- 2) funding energy efficiency efforts in communities, and providing education and outreach, sets an example for Wisconsin citizens about energy efficiency and conservation. Behavior change is a key component of affecting large-scale changes in energy consumption and conservation. Funding local governments helps to send a message locally to the citizenry about the value of using energy wisely. (Priorities #1 and #2)
- 3) funding the development of 25 x '25 Plans in Energy Independent Communities, provides long term goals for energy consumption reduction. And, funding outreach and education available to the general public across the state sets the stage for long-term behavior change for citizens of Wisconsin, which translates to sustained benefits.

6. The President has made it clear that every taxpayer dollar spent on our economic recovery must be subject to unprecedented levels of transparency and accountability. Describe the auditing or monitoring procedures currently in place or that will be in place (by what date), to ensure funds are used for authorized purposes and every step is taken to prevent instances of fraud, waste, error, and abuse.

Wisconsin's Governor Doyle created the Office of Reinvestment and Recovery (ORR) (<http://www.recovery.wisconsin.gov/>) to specifically address the appropriate use and tracking of recovery funding.

Wisconsin is committed to the values of government transparency and accountability embraced by President Obama. The steps that OEI will take to ensure that these values translate to actions include:

- 1.) All EECBG funding will be awarded competitively. The funding competition will be publicly announced via the Energy Independent Community newsletter, Wisconsin's associations of towns, cities and counties, the POWER newsletter, the OEI website, the Department of Commerce website, and the ORR website.

Applications received for evaluation are part of the public record. Grantee names and award amounts will be posted on the OEI website, any individual interested in viewing applications can make a request to view any of the submitted applications.

- 2.) The Wisconsin Department of Commerce staff are experienced at administering funding to communities through the Community Development Block Grant program. The same staff will administer EECBG funding to communities and are responsible for overseeing budgets and implementation of awardee efforts. Commerce staff provide funding to awardees on a reimbursement basis that allows close oversight of expenses.

- 3.) The Wisconsin contracting system includes that ability for the state to cancel contracts with awardees who do not fulfill the agreement of the contract.

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EECBG Activity Worksheet

Grantee: State of Wisconsin/Office of Energy Independence Date: 04/26/2009
 DUNS #: 809035728 Program Contact Email: judy.ziewacz@wisconsin.gov
 Program Contact First Name: Judy Last Name: Ziewacz
 Project Title: Municipal Lighting
 Activity: 12. Lighting If Other: also, interior lighting
 Sector: Public If Other: _____
 Proposed Number of Jobs Created: 1.00 Proposed Number of Jobs Retained: 25.00
 Proposed Energy Saved and/or Renewable Energy Generated: 7,494,727.5, kWhs (over 36 mos)
 Proposed GHG Emissions Reduced (CO2 Equivalents): 12,741,036.800
 Proposed Funds Leveraged: \$527,738.00
 Proposed EECBG Budget: 2,382,696.00
 Projected Costs Within Budget: Administration: \$0.00 Revolving Loans: \$0.00 Subgrants: \$2,382,696.00
 Project Contact First Name: Judy Last Name: Ziewacz Email: judy.ziewacz@wisconsin.gov
 Metric Activity: Other If Other: EE or LED lighting

Project Summary: *(limit summary to space provided)*

Wisconsin will distribute 81 percent EECBG funding through a competitive process aimed at two specific priority areas. These priorities were identified from a survey conducted by OEI of Wisconsin communities to determine areas of greatest need and largest impact in terms of energy savings, greenhouse gas reduction, and job creation and preservation.

This project summary address Priority #2: Replacement of existing lights with energy efficient or LED lights. This priority corresponds to EECBG eligible activity, number 12, Traffic Signals and Street Lighting, and includes interior lighting. Twenty percent of Wisconsin's allocation will be distributed through Priority #2.

The administration of this funding priority assumes the following:

(1) Funding will pay for lighting replacement, estimated at \$500/lighting unit, any additional related expenses will be the responsibility of the community.

(2) Communities can replace existing technology with LED or other energy efficient lighting technology. The funding is intended for exterior and interior lighting that cannot be replaced with simple CFLs.

(3) The maximum award to any entity will be \$225,000, for any combination of efforts under Priority #1 or #2. A limit on the award amount will maximize funding distribution to as many entities as possible.

(4) The metrics will vary depending on the type of existing and replacement lighting. The metrics reported above are aggregate estimates based on LED and other EE lighting technology.

(5) All grantees will have extensive reporting requirements to measure energy savings, greenhouse gas reductions, and job creation and preservation.

As part of the application process for EECBG funding, OEI will provide tools for the applicant to calculate energy savings, GHG reductions, and job creation and preservation. The figures provided in this document are an estimate, and are based on savings over 36 months.

In addition to replacement lighting, communities will be encouraged to include in their application funding for ambient light sensors and motion detectors to further increase energy efficiency.

Leveraged dollars represent a portion of the Focus on Energy/Schools and Government program, \$2.1 million of which is directed to local government for energy efficiency efforts. FOE covers the majority of Wisconsin, except areas where customers are served by rural electric cooperatives.

Grantees will be required to recycle or otherwise properly dispose of all waste lighting materials. Wastewater treatment facilities are not eligible.

The job creation and preservation numbers are based on guidance from the White House Council of Economic Advisors (CEA) that reads, "agencies should calculate the impact of their programs on employment by assuming that each \$92,000 of spending produces one job-year of employment... Agencies wishing to use a methodology other than this one must receive advance permission from OMB to do so." Job creation is estimated at five percent of overall estimated job creation and preservation numbers. The majority of the work is expected to be performed by local contractors, and municipal staff (95 percent).

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EECBG Activity Worksheet

Grantee: State of Wisconsin/Office of Energy Independence Date: 04/26/2009
DUNS #: 809035728 Program Contact Email: judy.ziewacz@wisconsin.gov
Program Contact First Name: Judy Last Name: Ziewacz
Project Title: Outreach and Education to Wisconsin Communities and Citizens
Activity: 14. Other If Other: outreach and education
Sector: Public If Other: _____
Proposed Number of Jobs Created: 1.00 Proposed Number of Jobs Retained: 5.00
Proposed Energy Saved and/or Renewable Energy Generated: unable to estimate; award- and project-specific
Proposed GHG Emissions Reduced (CO2 Equivalents): _____
Proposed Funds Leveraged: \$500,000.00
Proposed EECBG Budget: 1,400,000.00
Projected Costs Within Budget: Administration: \$0.00 Revolving Loans: \$0.00 Subgrants: \$1,400,000.00
Project Contact First Name: Judy Last Name: Ziewacz Email: judy.ziewacz@wisconsin.gov
Metric Activity: Workshops, Training, and Education If Other: _____

Project Summary: (limit summary to space provided)

Wisconsin will distribute 12 percent of its EECBG funding through a competitive process aimed at two Outreach and Education efforts: (1) development of energy independence plans for communities (25 x '25 plans), and (2) development of a statewide, publicly accessible environmental and energy education program. These programs are also consistent with the goals outlined by Wisconsin's Global Warming Task Force.

This project summary addresses Priority #14: Any Other Appropriate Activity. This priority corresponds to EECBG metric activity, Workshops, Training and Education.

Subpriority A: \$500,000 -- 25 x '25 Plans

Wisconsin's Energy Independent Community initiative has created a grassroots, local approach to energy efficiency and conservation. More than 80 Wisconsin communities have embraced the Governor's 25 x '25 goal and are developing a plan to achieve 25 x '25. The plans evaluate current energy consumption, and identify specific actions the community can take to reduce energy consumption (including transportation fuels) and increase energy efficiency. Wisconsin will competitively distribute \$500,000 to communities to develop a local 25 x '25 plan.

Leveraged dollars in this application represent the first round of 25 x '25 plan awards made to Energy Independent Communities in late 2008 with federal State Energy Program dollars. The first round of awards attracted more than 40 applications; 10 awards were made groups representing 23 communities.

Funding for 25 x '25 plan development will be open to any community in Wisconsin.

Subpriority B: \$900,000 -- Outreach and Education

The remaining \$900,000 will be competitively distributed to develop an outreach and education effort that is widely available and accessible statewide to the general public. Increasing cultural awareness of energy conservation speaks to long-term energy savings and GHG reductions.

Funding for the Outreach and Education plan will be limited to organizations able to reach out statewide to the public at-large. These funds will be administered by the Office for Energy Independence. Any award made under this sub-priority will be limited to \$500,000.

Both subpriorities

All grantees will participate in extensive data collection efforts. In the first year, applicants will set goals for energy savings, GHG reductions and job creation and preservation. The remaining award period will measure actual energy savings, GHG reductions and job creation and preservation. OEI will submit all metrics to US DOE for evaluation and review.

The job creation/retention number is based on guidance from the White House Council of Economic Advisors (CEA) that reads, "agencies should calculate the impact of their programs on employment by assuming that each \$92,000 of spending produces one job-year of employment... Agencies wishing to use a methodology other than this one must receive advance permission from OMB to do so."

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EECBG Activity Worksheet

Grantee: State of Wisconsin/Office of Energy Independence Date: 05/05/2009
 DUNS #: 809035728 Program Contact Email: judy.ziewacz@wisconsin.gov
 Program Contact First Name: Judy Last Name: Ziewacz
 Project Title: Municipal Building Retrofit
 Activity: 5. Energy Efficiency Retrofits If Other: _____
 Sector: Public If Other: _____
 Proposed Number of Jobs Created: 4.00 Proposed Number of Jobs Retained: 72.00
 Proposed Energy Saved and/or Renewable Energy Generated: 136,245 kWhs; 598,752.6 therms (over 36 mos)
 Proposed GHG Emissions Reduced (CO₂ Equivalents): 7,271,857.100
 Proposed Funds Leveraged: \$1,583,213.00
 Proposed EECBG Budget: 7,045,800.00
 Projected Costs Within Budget: Administration: \$0.00 Revolving Loans: \$0.00 Subgrants: \$7,045,800.00
 Project Contact First Name: Judy Last Name: Ziewacz Email: judy.ziewacz@wisconsin.gov
 Metric Activity: Building Retrofits If Other: _____

Project Summary: *(limit summary to space provided)*

Wisconsin will distribute 81 percent of its EECBG funding through a competitive process aimed at two specific priority areas. These priorities were identified from a survey conducted by OEI of Wisconsin communities to determine areas of greatest need and largest impact in terms of energy savings, greenhouse gas reduction, and job creation and preservation.

This project summary addresses Priority #1: Municipal buildings retrofit. Wisconsin will distribute funding to retrofit municipal buildings with energy efficient windows, insulation, HVAC and/or solar hot water. This priority corresponds to EECBG eligible activity, number 5, Energy Efficient Retrofits. An Environmental Questionnaire is included with this application package for this priority. Sixty percent of Wisconsin's allocation will be distributed through Priority #1.

The administration of this funding priority assumes the following:

- (1) Communities can apply to implement any or all of the following activities as part of their municipal building retrofit -- windows, insulation, HVAC and/or solar hot water.
- (2) Funding will pay at least a portion of the cost of retrofit. Any expense in excess of the award amount will be the responsibility of the community. Communities will be encouraged to apply for additional (leveraged) funding through the Focus on Energy Schools and Government program. Communities can use up to three percent of their award through this program for local administrative expenses.
- (3) The maximum award to any entity will be \$225,000, for any combination of efforts under Priority #1 or #2. A limit on the award amount will maximize funding distribution to as many entities as possible.
- (4) The metrics will vary depending on the type of retrofit project performed by the awardee. The figures provided in this document are an estimate of savings over 36 months.
- (5) All awardees will have extensive reporting requirements to measure energy savings, reduced GHG emissions, and job creation and preservation.

As part of the application process for EECBG funding, OEI will provide tools for the applicant to calculate energy savings, reduced GHG emissions, and job creation and preservation.

Leveraged dollars represent a portion of the Focus on Energy/Schools and Government budget, \$2.1 million of which is directed to local government for energy efficiency efforts. FOE covers the majority of Wisconsin, except areas where customers are served by rural electric cooperatives.

Grantees will be required to recycle or otherwise properly dispose of all waste building materials generated from retrofit activities. Wastewater treatment buildings are eligible; wastewater treatment facilities are not.

The job creation and preservation numbers are based on guidance from the White House Council of Economic Advisors (CEA) that reads, "agencies should calculate the impact of their programs on employment by assuming that each \$92,000 of spending produces one job-year of employment... Agencies wishing to use a methodology other than this one must receive advance permission from OMB to do so." Job creation is estimated at five percent of overall estimated job creation and preservation numbers. The majority of the work is expected to be performed by local contractors, and municipal staff (95 percent).

